



Irish Life Weekly Investment Bulletin

The week that was – WEEK 17 2018 (ending 27/04/2018)

“A good intention clothes itself with power.” – Ralph Waldo Emerson

ECB keeps monetary policy unchanged at latest GC meeting – The Governing Council of the European Central Bank as expected made no changes at their monetary policy meeting but ECB President Mario Draghi acknowledged that eurozone growth has recently shown some signs of slowing from its previous higher rate.

U.S. economic growth in Q1 2018 beats expectations – The Commerce Department reported that the economy grew 2.3% in the first quarter, lower than the 2.9% annualised increase recorded in previous quarter but above market expectations of 2.0%. Household spending growth reduced to 1.1% annualised from 4.0% in Q4.

Global stock market up 0.4% on the week – The MSCI AC World TR Index showed a 0.37% rise from 20th April to 27th April, as the strong corporate earnings environment in general terms provided good support to the market. The Volatility Index (Vix) closed the week at 15.41, little changed from 16.88 at end of previous week.

U.S. 10-year Treasury yield hits 3% for first time in four years – The yield on the 10-year Treasury note, which helps set interest rates for lending, reached the 3% milestone during the week, the first time since early 2014, supported by a combination of inflation measures edging higher in recent months and solid economic growth.

UK GDP growth in Q1 2018 the lowest in over five years – The bad weather together with a drop in construction and manufacturing activity received most of the blame for the economy's poor performance reported by the Office of National Statistics with growth of just 0.1% in the first quarter, the lowest quarterly rise since 2012.

North and South Korea pledge to de-nuclearisation of the Korean Peninsula – North Korean leader Kim Jong Un met his South Korean counterpart Moon Jae-in on the south side of the demilitarized zone, the first time the North Korean Leader had crossed the border. Both sides committed to a nuclear-free Korea in talks.

The Story of the week: One coin collector now knows it's always worth getting a second opinion after his 1854-S Half Eagle \$5 coin he was told was a fake, ended up being valued at millions of dollars by the Numismatic Guaranty Corporation (N.G.C.), the world's largest rare coin authentication company. It turned out it was one of the last four coins that are believed to have survived from the 268 coins struck at the San Francisco Mint at the height of the California Gold Rush. N.G.C. chairman Mark Salzberg said "It's like finding an original Picasso at a garage sale."

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2013	2014	2015	2016	2017	2018 YTD (to 27/04)
MSCI AC World (Gross TR)	26.2	9.9	1.8	9.7	20.4	0.4
ISEQ Overall Return	35.8	16.8	33.6	-2.7	9.7	-2.4
FTSE 100 TR	18.7	0.7	-1.3	19.1	11.8	-0.9
Euro Stoxx 50 TR	21.5	4.0	6.4	3.7	9.2	1.2
S&P 500 TR	32.4	13.7	1.4	12.0	21.8	0.4
Nasdaq Composite	38.3	13.4	5.7	7.5	28.2	3.1
Nikkei 225	56.7	7.1	9.1	0.4	19.1	-1.3
MSCI Emerging Markets	0.9	2.6	-8.0	7.1	27.8	0.7
Eurozone Government Bonds 1–5 yr	2.1	3.4	1.0	0.9	-0.2	0.1
Sovereign 10yr Bond Yields (%)	2013	2014	2015	2016	2017	2018 YTD
U.S.	3.0	2.2	2.2	2.4	2.4	3.0
German	1.9	0.5	0.6	0.2	0.4	0.6
UK	3.0	1.9	1.9	1.2	1.2	1.4
Japan	0.7	0.3	0.2	0.0	0.0	0.1
Ireland	3.4	1.3	1.1	0.7	0.7	1.0
Italy	4.1	2.1	1.6	1.8	2.0	1.8
Greece	8.2	9.6	7.9	7.1	4.1	3.9
Portugal	6.1	2.7	2.5	3.8	1.9	1.7
Spain	4.1	1.6	1.7	1.4	1.6	1.3
Central Bank Rates (%)	2013	2014	2015	2016	2017	2018 YTD
ECB	0.25	0.05	0.05	0.0	0.0	0.0
Bank of England	0.25	0.50	0.50	0.25	0.50	0.50
U.S. Federal Reserve	0.25	0.25	0.50	0.75	1.50	1.75
Foreign Exchange Rates	2013	2014	2015	2016	2017	2018 YTD
Euro/Dollar (€/\$)	1.37	1.21	1.09	1.04	1.20	1.21
Euro/Sterling (€/£)	0.83	0.78	0.75	0.84	0.89	0.88
Sterling/Dollar (£/\$)	1.65	1.56	1.46	1.24	1.36	1.37
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	8.1% (to end of Q4)
U.K.	2.7	10.7	17.8	13.1	3.6	10.3% (to end of Q4)
U.S.	5.3	11.4	11.2	12.1	7.8	7.1% (to end of Q4)

*Past performance is not a reliable guide to future performance